



HB 952 - SB 1128

March 20, 2021

SUMMARY OF ORIGINAL BILL: Authorizes certain counties to establish retirement credit for employees who left employment with the county to perform military service and were reemployed by the county after such military service.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to multiple unknown factors, the extent and timing of any permissive increase in local expenditures cannot be reasonably determined.

SUMMARY OF AMENDMENT (005309): Deletes and rewrites language of the original bill such that the substantive change alters applicability to only those counties who participate in the state consolidated retirement system.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – The total permissive increase in local government liability within the pension system is estimated to be up to \$1,154,300. The extent and timing of permissive increases to individual local governments cannot be determined with reasonable certainty.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 8-34-605, employers participating in the Tennessee Consolidated Retirement System (TCRS) may establish a retirement credit for employees who leave employment to perform military service who are reemployed by the TCRS employer within six months of honorable discharge from service, under certain circumstances.
- This analysis assumes the proposed legislation will apply to employees who are not afforded such retirement credit under current law.
- Based on information provided by TCRS:
 - There are 119 current county employees statewide to whom the proposed language would apply;
 - One year of service for each employee would cost \$9,700 each;
 - The total liability would equal \$1,154,300 (119 x \$9,700).

- Local government may choose to adopt a resolution authorizing such additional benefits for such employees. The permissive increase in local government expenditures would be funded 100 percent by the local government.
- The total increase of liability to the pension system relative to local employees is estimated to be up to \$1,154,300 assuming all local governments opt to participate. The extent and timing of permissive increases in individual local government expenditures cannot reasonably be determined due to unknown factors.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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